# Montana Farm Service Agency Special Report:



# FSA Working Across Montana - FY 2004

The USDA Farm Service Agency delivered more than \$375.8 million in payments and loans to Montana farmers and ranchers during Fiscal Year 2004. These payments are a continuation of new or enhanced programs created by the 2002 Farm Bill or from programs created by special authority of Congress.

# Price Support: \$178.8 million

Montana producers received \$178,806,292 in support during FY2004: \$125,729,788 in direct payments and \$53,076,504 in commodity loans. These programs help improve and promote the economic stability of agricultural communities and ensure equitable delivery of program benefits and services.

\$108,704,708 - Direct And Counter Cyclical Program (DCP) replaced production flexibility contract (PFC) payments with direct payments, and added new counter-cyclical payments for the 2002-2007 crops. Counter-cyclical payments are made when the effective price for eligible commodities is less than the target price.

\$15,652,847 - Loan Deficiency Payments (LDPs) were made to producers who agreed to forgo a commodity loan in return for a payment on the eligible commodity. LDP provisions allow compensation when market prices are low, as long as the producer maintains beneficial interest in the commodity.

\$53,076,504 - Commodity Loans are made available to eligible producers who use stored crops as collateral. The Commodity Credit Corporation (CCC) makes loans for eligible commodities and are issued as "non-recourse" or "recourse" depending on the quality and/or moisture content of the commodity.

**\$511,619 - Hard White Wheat Incentives Program** made available \$20 million for incentive payments based on production and certified seed planting for the 2003-2005 crops.

**\$228,997 - Lamb Meat Adjustment Assistance Program** was a 4-year program started in 2000 to help stabilize the lamb market and help producers compete with foreign competitors in the marketplace.

**\$519,903 - Milk Income Loss Contract Payments** (MILC) financially compensate dairy producers when domestic milk prices fall below a specified level.

**\$9,697 - The Trade Adjustment Assistance Program for Pacific Salmon** provides cash payments, technical assistance, job training, and educational benefits to eligible producers when an increase in imports contributes to a decline in price, resulting in a drop in net farm or fishing income.

\$102,017- all other price support programs

### Conservation \$124.1 million

FSA has invested \$124,162,281 in Montana's conservation programs to assist owners and operators in conserving and improving soil, water, and wildlife resources. The Conservation Reserve Program is the USDA's single largest environmental improvements program as well as one of the most effective.

**\$112,932,820 - The Conservation Reserve Program** is a voluntary program providing financial incentives to producers who convert highly erodible cropland or environmentally sensitive acreage to long-term vegetative cover.

**\$506,030 - Emergency Conservation Program (ECP)** provides emergency funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought. Funding for ECP is appropriated by Congress.

**\$10,252,775 - The Environmental Quality Incentives Program** (EQIP) is a voluntary, locally-led conservation program that provides technical and financial assistance. Producers sign 1-10 year contracts to implement conservation plans.

**\$411,150 - The Wetlands Reserve Program** is a voluntary program that provides financial incentives to enhance wetlands in exchange for retiring marginal agricultural land.

\$59,506 - All other conservation programs.

# **Montana Farm Service Agency**

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### Disaster Assistance: \$41.4 million

Producers received \$41,408,238 in disaster assistance programs during FY2004. From drought to flood, freeze to tornadoes, natural disasters can severely hurt even the best run agricultural operation.

**\$22,799,583 - Crop Disaster Assistance** programs help compensate producers who suffered crop losses due to adverse weather and other natural disasters in FY2001 and FY2002.

**\$1,732,248 - Sugar Beet Disaster Program** provides payments to producers who suffered 2001- or 2002-crop year sugar beet production losses of at least 35 percent due to adverse weather conditions.

**\$14,392,544 - Livestock Assistance Program (LAP)** provided assistance for grazing losses in counties suffering from 2001 or 2002 drought conditions.

**\$2,771,610 - Non-Insured Crop Disaster Assistance Program.** This program covers crops for which crop insurance is not available.

\$5,645 - all other disaster assistance programs.

#### Farm Loans: \$31.4 million

FSA made \$31,433,710 in direct and guaranteed operating loans, farm ownership loans, emergency loans, and youth loans to Montana's eligible farmers and ranchers who operate family-sized farms and who were temporarily unable to obtain private or commercial credit, along with 257 commercial credit subordinations.

**\$7,660,550 - Guaranteed Loan Program.** FSA guarantees loans made by conventional agricultural lenders for up to 95% of any loss. In FY 2004 FSA made 73 guaranteed farm ownership loans and 137 Guaranteed operating loans.

**\$19,354,730 - Subordinations** aided 257 producers in

obtaining credit from commercial lending sources.

**\$4,418,430 - Direct Loan Program.** FSA provides assistance to those unable to obtain guaranteed loans. In FY2004 FSA made 13 farm ownership loans and 128 operating loans, that included 27 youth loans, 79 loans to beginning farmers and 4 emergency loans.

Program Payments By County* - \$290,662,852								
Beaverhead	\$	1,022,707	Granite	\$	351,491	Powell	\$	467,022
Big Horn	\$	7,282,596	Hill	\$	22,659,588	Prairie	\$	3,367,784
Blaine	\$	11,921,923	Jefferson	\$	320,287	Ravalli	\$	611,800
Broadwater	\$	2,401,670	Judith Basin	\$	3,918,111	Richland	\$	7,532,509
Carbon	\$	2,095,479	Lake	\$	919,510	Roosevelt	\$	11,341,403
Carter	\$	3,795,182	Lewis And Clark	\$	933,989	Rosebud	\$	4,429,579
Cascade	\$	8,117,288	Liberty	\$	10,699,693	Sanders	\$	175,869
Chouteau	\$	25,156,269	Lincoln	\$	45,220	Sheridan	\$	12,027,875
Custer	\$	2,830,195	Madison	\$	986,556	Silver Bow	\$	5,904
Daniels	\$	8,309,925	Mccone	\$	8,019,739	Stillwater	\$	3,823,120
Dawson	\$	7,057,816	Meagher	\$	996,203	Sweet Grass	\$	531,754
Deer Lodge	\$	176,118	Mineral	\$	24,521	Teton	\$	14,458,003
Fallon	\$	3,207,302	Missoula	\$	144,663	Toole	\$	12,793,814
Fergus	\$	8,012,183	Musselshell	\$	2,543,737	Treasure	\$	949,641
Flathead	\$	1,396,921	Park	\$	935,096	Valley	\$	11,913,773
Gallatin	\$	3,014,794	Petroleum	\$	1,084,684	Wheatland	\$	2,492,009
Garfield	\$	6,946,455	Phillips	\$	9,947,386	Wibaux	\$	2,509,192
Glacier	\$	9,100,110	Pondera	\$	13,951,727	Yellowstone	\$	5,634,102
Golden Valley	\$	2,545,505	Powder River	\$	2,725,057			
* Does not include farm loans, commodity loans, or adjustments from previous programs.								

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